## Message Text

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PAGE 01 STATE 303903 ORIGIN COME-00

INFO OCT-01 EA-10 ISO-00 EB-08 XMB-02 /021 R

DRAFTED BY COM/OED/MEPD/JNRANDOLPH/LW
APPROVED BY EB/OCA/CD:REDAY
COM/OED/MEPD/SMCONGER, DIRECTOR
COM/OIM/EA/DLABRIE (DRAFT)
EXIM/ASIA/ICOLANTUONI (SUBST)
STATE/EA/PHL/JSARTORIUS (DRAFT)
EA/EP:DSTEBBING (INFO)

-----117768 212037Z /43

R 211838Z DEC 77 FM SECSTATE WASHDC TO AMEMBASSY MANILA INFO AMEMBASSY TOKYO

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E.O. 11652: N/A

TAGS: BENC, RP

SUBJECT: MAJOR PROJECT: INTEGRATED STEEL MILL

REF: MANILA 19609 (NOTAL)

1. JUST PRIOR TO RECEIPT OF REFTEL, COMMERCE MAJOR PROJECTS CONTACTED BY DAVID VAN GEND OF U.S. STEEL ENGINEERS AND CONSTRUCTORS (USSEC). VAN GEND WAS SEEKING USG (I.E. EMBASSY MANILA) SUPPORT TO OFFSET HIGH LEVEL JAPANESE REPRESENTATIONS TO MARCOS. WHILE NO COMMITMENTS MADE ON BEHALF OF EMBASSY, WE DID AGREE TO REQUEST EMBASSY VIEWS AS TO HOW WE MIGHT KEEP U.S. FIRMS IN CONTENTION FOR FINAL FEASIBILITY STUDY AND IN-HOUSE CONSULTANCY CONTRACT.

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2. VAN GEND CONTENDS THAT GRATIS JICA PRE-FEASIBILITY STUDY RECOMMENDS ONE MILLION METRIC TONS PER YEAR MILL WVILE PHILIPPINE NATIONAL STEEL WOULD PREFER 1.5 TO 2

MILLION MTPY FACILITY. JAPANESE WOULD LIKE TO RESTRICT SIZE TO PRESERVE PORTION OF THEIR PHILIPPINE EXPORT

MARKET. FINAL FEASIBILITY STUDY IS TO ENTAIL A DETAILED MARKET SURVEY WHICH WOULD THEN RECOMMEND APPROPRIATE

CAPACITY FOR THE MILL. VAN GEND LEARNED IN HIS DISCUSSIONS WITH EDUARDO RODRIGUEZ, THE PRESIDENT, AND RUBEN GOMEZ, THE MANAGER OF NATIONAL STEEL, THAT THE BOI IRON AND STEEL AUTHORITY AND COCIS BEING BYPASSED IN DECISION MAKING AND THAT ONLY USSEC, KAISER, AND KRUPP HAD BEEN PREQUALIFIED (SHORT LISTED) FOR FINAL FEASIBILITY STUDY.

3. WOULD APPRECIATE EMBASSY REVIEWING STATUS OF STEEL MILL PLANNING AT APPROPRIATE LEVEL IN GOP, EMPHASIZING INTEREST OF U.S. FIRMS IN PROPOSING ON FINAL FEASIBILITY STUDY AND BEING CONSSIDERED FOR IN-HOUSE

TECHNICAL CONSULTANCY CONTACT, AND STRESSING ABILITY U.S. ENGINEERS TO PREPARE UNBIASED REPORT UNCONSTRAINED BY NEED TO PRESERVE EXPORT MARKETS. VANCE

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## Message Attributes

Automatic Decaptioning: X

Capture Date: 01-Jan-1994 12:00:00 am Channel Indicators: n/a **Current Classification: UNCLASSIFIED** 

Concepts: n/a

Control Number: n/a Copy: SINGLE Sent Date: 21-Dec-1977 12:00:00 am Decaption Date: 01-Jan-1960 12:00:00 am

Decaption Note: Disposition Action: RELEASED Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW

Disposition Date: 22 May 2009 Disposition Event:

Disposition Event:
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE303903
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Document Unique ID: 00 Drafter: OED/MEPD/JNRANDOLPH/LW

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Subject: MAJOR PROJECT: INTEGRATED STEEL MILL

TAGS: BENC, RP To: MANILA Type: TE

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